

Message Text

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 3067

C O N F I D E N T I A L SECTION 01 OF 05 OTTAWA 02414

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E.O. 11652: GDS

TAGS: AMGT, PFOR, CA

SUBJECT: PARM: ANNUAL POLICY AND RESOURCE ASSESSMENT FOR
CANADA--PART II

REF: A. CERP 0001, B. OTTAWA 2172, C. OTTAWA 2304

PART II--RESOURCE ASSESSMENTS

SECTION A: STATE--JUSTIFICATION BY FUNCTIONS OF PRESENT
STATE RESOURCES IN PURSUIT OF COURSES OF ACTION PROPOSED
IN PARM PART I.

1. POLITICAL

(A) KEY POLITICAL FACTOR AFFECTING U.S. INTERESTS
IN COURSE OF FORECAST PERIOD IS THREAT OF QUEBEC SEPARA-
TION. POLITICAL RESOURCES WILL BE ACTIVELY ENGAGED IN
CLOSE MONITORING AND ANALYSIS OF SEPARATIST THREAT, IN-
CLUDING INFLUENCE ON POLICIES AND BEHAVIOR OF FEDERAL
GOVERNMENT, AND RECOMMENDING APPROPRIATE RESPONSES FOR
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(B) WITH RESPECT TO BOUNDARY DISPUTES AND
INTERIM FISHING AGREEMENT, WE MUST TAKE LEAD AGGRESSIVELY
TO PREVENT THESE ISSUES FROM BECOMING NEW IRRITANTS IN
U.S./CANADIAN RELATIONS.

(C) IN ADDITION TO RESOLUTION OF ENVIRONMENTAL
PROBLEMS WHICH CONTINUOUSLY ARISE ALONG U.S./CANADA

BORDERS, WE WILL SEARCH FOR NEW OPPORTUNITIES FOR JOINT COOPERATIVE EFFORTS, SUCH AS IMPROVEMENT OF GREAT LAKES WATER QUALITY AND MARINE POLLUTION CONTROLS.

(D) MAJOR U.S./CANADIAN INTERACTION ON LOS WILL OCCUR BETWEEN RESPECTIVE CONFERENCE DELEGATIONS, BUT WE WILL BE ACTIVELY ENGAGED IN ASSESSING GOC POLICIES AS THEY ARE ELABORATED AND EXPRESSED IN OTTAWA.

(E) WE ARE CONTINUING TO ENCOURAGE GOC TO UP-GRADE FORCES COMMITTED TO NATO AND NORTH AMERICAN DEFENSE. THIS YEAR WE WILL BE DEVOTING SPECIAL ATTENTION TO GOC PLAN TO PURCHASE NEW FIGHTER AIRCRAFT AND JOIN OTHER NATO ALLIES IN ESTABLISHING NATO AEW SYSTEM.

2. ECONOMIC

(A) CONTINUOUS U.S. PRODDING WILL BE REQUIRED TO MOVE GOC FORWARD ON DECISION FOR CONSTRUCTION OF GAS PIPELINE. IF DECISION IS MADE TO PROCEED, WE WILL NEED TO EXERT PRESSURE TO COMPLETE CONSTRUCTION ON SCHEDULE. SIMILARLY, WE WILL BE PRESSING GOC TO COMPLETE STUDY ON CONSTRUCTION OF OIL PIPELINE.

(B) WITH RESPECT TO OIL AND GAS SUPPLIES, WE MUST CREATE COOPERATIVE ATMOSPHERE TO RETAIN HIGHEST LEVELS POSSIBLE. WE WILL ALSO WISH TO EXPLORE POTENTIAL FOR ENERGY SWAPS, INCLUDING ELECTRICITY.

(C) QUEBEC SEPARATISM HAS IMPORTANT ECONOMIC
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AS WELL AS POLITICAL DIMENSION. WE HAVE STEPPED UP REPORTING OF ECONOMIC DEVELOPMENT IN PROVINCE, AND WILL CONTINUE TO MONITOR AND ANALYZE NOT ONLY IMPACT OF GENERAL ECONOMIC SITUATION ON FEDERALIST/SEPARATIST DEBATE BUT IMPLICATIONS OF PROVINCIAL POLICIES FOR U.S. TRADE, INVESTMENT, AND FINANCIAL INTERESTS.

(D) WE MUST BE ALERT FOR AND RESIST NATIONALIST TENDENCIES PREJUDICIAL TO U.S. INTERESTS IN SUCH AREAS AS INVESTMENT, PUBLISHING, AND FILMS.

(E) CANADA'S ECONOMIC PERFORMANCE HAS SIGNIFICANT IMPACT ON U.S. AND GLOBAL ECONOMY. IN FY 77 WE ADDED FINANCIAL OFFICER TO EMBASSY STAFF IN EFFORT TO MEET WASHINGTON DEMANDS FOR INCREASED REPORTING AND ANALYSIS OF MACRO-ECONOMIC DEVELOPMENTS.

3. COMMERCIAL

(A) TO COUNTER PROTECTIONIST TENDENCIES, WE WILL

UNDERTAKE VIGOROUS REPRESENTATION OF U.S. TRADE INTERESTS
AND, WITH RESPECT TO MTN, PRESS FOR HIGH-LEVEL COORDINA-
TION OF OUR RESPECTIVE NATIONAL POLICIES.

(B) WE WILL KEEP OPEN CURRENT DIALOGUE ON AUTO
PACT, RESISTING CANADIAN TENDENCIES TO DICTATE IN AREAS
WHICH SHOULD BE LEFT TO MARKET DECISIONS.

(C) WITH RESPECT TO TRADE PROMOTION, WE WILL
KEEP OPEN MIND ON CCP THROUGH CURRENT PERIOD OF PILOT

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PROJECT, BUT THEREAFTER WE WILL HAVE TO DECIDE WHETHER
RESOURCES COULD NOT BE MORE EFFECTIVELY USED FOR OTHER
PURPOSES.

4. SCIENCE

(A) IN FIELD OF NUCLEAR POLICY, WE ARE PURSU-
ING CLOSE LIAISON WITH CANADIAN ENTITIES ON TECHNOLOGY
AND NON-PROLIFERATION.

(B) WE ARE IN CONTACT WITH CANADIANS ON DEVE-
LOPMENT OF RENEWABLE ENERGY RESOURCES AND ENERGY CON-
SERVATION, AND WILL PURSUE COOPERATIVE VENTURES.

(C) WE ENGAGE IN BROAD LIAISON WITH CANADIAN
SCIENTIFIC AND TECHNOLOGICAL COMMUNITY FOR EXCHANGE OF
INFORMATION AND PROMOTION OF AMERICAN INTERESTS.

5. CONSULAR

(A) CLOSE TIES AND OPEN BORDER BETWEEN CANADA AND UNITED STATES HAVE FOSTERED LARGE-SCALE MOVEMENTS OF PEOPLE BETWEEN TWO COUNTRIES. HENCE, PROVISION OF STATUTORY CONSULAR SERVICES REMAINS MAJOR RESPONSIBILITY FOR ALL POSTS IN CANADA. MAJORITY OF OUR RESOURCES ARE CONFIDENTIAL

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ALLOCATED TO THIS FUNCTION. SIMILARLY, THIS IS PRIMARY AREA OF NEW RESOURCES REQUIREMENTS. WITHIN FORECAST TIMEFRAME, SEVERAL VARIABLES WILL INFLUENCE CONSULAR OPERATIONS, AS FOLLOWS:

(B) PRISON VISITS--RECENTLY STATE DEPARTMENT SPECIFIED THAT ALL U.S. CITIZEN PRISONERS IN CANADIAN INSTITUTIONS BE VISITED ONCE EACH MONTH. ACCORDINGLY, IN PARM PART III (OTTAWA 2304, PARA. 8 A), EMBASSY INDICATED THAT FIVE ADDITIONAL AMERICAN OFFICER POSITIONS WOULD BE NEEDED IN ORDER TO FULFILL THAT REQUIREMENT. EMBASSY WISHES TO REITERATE OUR VIEW, ALREADY CONVEYED TO DEPARTMENT (76 OTTAWA 4083 AND OTTAWA 1569), THAT OBJECTIVE COULD BE ACHIEVED BY ASSIGNMENT OF TWO "CIRCUIT RIDERS" OPERATING OUT OF WINNIPEG AND TORONTO, RATHER THAN FIVE OFFICERS SPREAD AMONG INDIVIDUAL POSTS. TRAVEL COSTS WOULD BE APPROXIMATELY SAME IN EITHER ARRANGEMENT.

(C) IV AVAILABILITY--1976 AMENDMENTS TO IMMIGRATION AND NATIONALITY ACT SIGNIFICANTLY INCREASED IV AVAILABILITY FOR CANADIAN CITIZENS. IF THIS DEVELOPMENT ENCOURAGES GREATER CANADIAN EMIGRATION, AS SIMILAR MEASURE DID IN EARLY 1960'S, DEMAND COULD RISE TO 300 OF FY 77 LEVEL. EMIGRATION HAS BEEN FURTHER STIMULATED BY POLITICAL TURBULENCE IN QUEBEC PROVINCE AND PROBLEMS OF CANADIAN ECONOMY.

(D) "STATESIDE" APPLICATION PROGRAM, UNDER WHICH CERTAIN CATEGORIES OF IV APPLICANTS APPLY FOR VISAS IN CANADA RATHER THAN ADJUST STATUS IN U.S. OR IN HOME COUNTRIES, REQUIRES MAJOR STAFF RESOURCES. SAVINGS IN FSL TIME COULD BE EFFECTED BY ELIMINATING PRE-SCREENING OF DOCUMENTS, PROPOSAL MADE BY EMBASSY AND RECENTLY TESTED BY CONGEN TORONTO WITH PROMISING RESULTS. GREATER SAVINGS IN BOTH FSL AND FSO TIME WOULD ALSO RESULT FROM SHARPLY RESTRICTING CRITERIA BY WHICH APPLICANTS QUALIFY FOR THIS PROGRAM, AND BY REQUIRING MORE OF THEM TO OBTAIN CONFIDENTIAL

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VISAS IN HOME COUNTRIES. CRITERIA TO BE APPLIED UNDER

1976 IMMIGRATION LAW AMENDMENTS ARE STILL BEING DRAWN UP IN WASHINGTON, AND THEIR FINAL FORM WILL HAVE SIGNIFICANT IMPACT ON FUTURE IV WORKLOADS IN CANADA. FOR EXAMPLE, CHANGE IN LEGISLATION PERMITTING ALL CATEGORIES OF APPLICANTS TO ADJUST STATUS IN U.S. WOULD ELIMINATE PROGRAM ENTIRELY, RESULTING IN RESOURCE SAVINGS IN CANADA, THOUGH SOME OFFSETTING INCREASE IN STATESIDE INS STAFF MIGHT BE REQUIRED.

(E) WORLD-WIDE INCREASE IN NIV WORKLOAD IMPACTS ALSO ON CANADA, WITH ADDED COMPLICATION THAT APPLICANTS HERE ARE THIRD COUNTRY NATIONALS (CANADIANS DO NOT NEED VISAS), RESULTING IN REQUIREMENT FOR LANGUAGE-QUALIFIED OFFICERS AND EXTRA CAUTION WITH RESPECT TO POTENTIAL FRAUD. AT PRESENT TIME, LANDED IMMIGRANTS FROM COMMONWEALTH COUNTRIES ARE EXEMPT FROM NIV REQUIREMENT. SUBSTANTIAL SAVINGS IN FSO AND FSL TIME WOULD OBVIOUSLY ACCRUE FROM LEGISLATIVE CHANGE EXTENDING THIS EXEMPTION TO ALL LANDED IMMIGRANTS IN CANADA WITHOUT RESPECT TO ORIGIN. CONSULAR OPINION IS DIVIDED ON WHETHER SUCH EXEMPTION WOULD CONFLICT SERIOUSLY WITH OUR RESPONSIBILITY TO JUDGE INTENTIONS OF NONIMMIGRANT VISITORS. WHILE IT CAN BE ARGUED THAT NON-COMMONWEALTH LANDED IMMIGRANTS SHOULD BE CONSIDERED JUST AS TRUSTWORTHY AS THOSE FROM COMMONWEALTH NATIONS, SOME CONSULAR OFFICERS BELIEVE THAT LATTER CATEGORY SHOULD ALSO BE DENIED EXEMPTION. WHILE EMBASSY WOULD FAVOR EXTENDING EXEMPTION, WE WOULD NOT WISH TO PRESS POINT IF, IN SO DOING, EXISTING EXEMPTION WOULD BE TERMINATED.

NOTE BY OC/T: PARA. 5(C), LINE 5 AS RECEIVED.

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TO SECSTATE WASHDC PRIORITY 3069

C O N F I D E N T I A L SECTION 03 OF 05 OTTAWA 02414

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IMMIGRATION AND EMPLOYMENT OF ALIENS HAS INCREASED CITIZENSHIP AND PROTECTIVE SERVICES WORKLOAD AT ALL POSTS IN CANADA. REGULATIONS TO IMPLEMENT PROPOSED NEW CANADIAN IMMIGRATION LAW, EXPECTED IN MID-1977, WILL BRING EVEN GREATER CONTROL AND THEREBY ADD FURTHER TO OUR WORKLOADS IN THIS AREA.

6. ADMINISTRATION--COUNTRY-WIDE ADMINISTRATIVE STAFF OF 18 AMERICANS AND 53 CANADIANS PROVIDES DIRECT SUPPORT FOR 72 STATE DEPARTMENT AMERICAN PERSONNEL AND 104 STATE DEPARTMENT FSLE'S. IN ADDITION, THEY SUPPORT 87 PERSONNEL FROM 12 OTHER AGENCIES. DURING PAST YEAR, SEVERAL FACTORS HAVE ADDED TO NORMAL ON-GOING WORKLOAD:

(A) MORE VIGOROUS, HIGH-PROFILE ASSERTION OF U.S. INTERESTS, LED BY AMBASSADOR, AND AS REFLECTED IN SIGNIFICANT BUDGETARY INCREASES FOR ORE, TRAVEL AND REPRESENTATION, AND ON FBO, F-AND-F AND M-AND-R ACCOUNTS, ALL OF WHICH IMPACT ON ADMINISTRATIVE WORKLOAD;

(B) INCREASE IN VISITS BY WASHINGTON-BASED PERSONNEL FOR BILATERAL NEGOTIATION OF ISSUES OUTLINED IN PARM PART I (OTTAWA 2172) HAS REQUIRED INCREASED TRAVEL AND TRANSPORTATION SERVICES FROM ADMINISTRATIVE STAFF;
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(C) MARKED INCREASE IN COMMUNICATIONS TRAFFIC, WHICH HAS BEEN ACCOMMODATED BY STAGGERED WORK SCHEDULE AND INCREASED OVERTIME. RECENT TECHNICAL IMPROVEMENTS (INSTALLATION OF CLASSIFIED COMMUNICATIONS FACILITIES IN TORONTO AND QUEBEC, AND OF TERPS IN OTTAWA) HAVE ENHANCED OUR REPORTING CAPABILITIES, BUT DEFICIENCIES STILL EXIST, NOTABLY IN ABSENCE OF PERMANENT COMMUNICATOR AT QUEBEC, AND LACK OF CLASSIFIED FACILITY AT VANCOUVER (NOW THAT STATE DEPARTMENT HAS PROHIBITED OUR USE OF EXISTING DEA FACILITY THERE FOR OUR OWN CLASSIFIED TRAFFIC);

(D) DETERIORATION OF SECURITY SITUATION WORLD-WIDE. OUR REGIONAL SECURITY OFFICE, SINCE ITS ESTABLISHMENT IN EARLY 1974, HAS UPGRADED PHYSICAL AND OPERATIONAL SECURITY ARRANGEMENTS THROUGHOUT CANADA. DURING THAT PERIOD, FOUR OF OUR SEVEN CONSULATES HAVE MOVED TO NEW PREMISES, REQUIRING PLANNING AND INSTALLATION OF ANTI-TERRORISM FEATURES. DURING FY 1977 EMBASSY ACQUIRED ACR AND SECURE TELEPHONE LINK TO WASHINGTON.

SECTION B.: OTHER AGENCY PROGRAMS AND RESOURCE LEVELS.

7. USIS

(A) PERSONNEL ARE DEDICATED PRIMARILY TO INFORMATION FUNCTION, I.E., DISSEMINATION OF INFORMATION ON USG POLICIES AND PROGRAMS, AND HEADING OFF OR CORRECTING MISREPRESENTATIONS IN CANADIAN MEDIA. THIS FUNCTION IS SUPPORTED BY TWO OFFICERS IN OTTAWA AND SINGLE-OFFICER BRANCH POSTS IN TORONTO, MONTREAL AND VANCOUVER (LAST-NAMED HAVING BEEN OPENED ONLY IN MID-1976). CONSIDERING VOLUME OF COMMUNICATIONS FLOW BETWEEN U.S. AND CANADA, THIS STAFFING PATTERN IS MINIMAL.

(B) USIS, WITH CLOSE COOPERATION OF OTHER
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EMBASSY SECTIONS, IMPLEMENTS IVP PROGRAM WHICH HAS PROVEN TO BE ONE OF OUR MOST EFFECTIVE TOOLS FOR ESTABLISHING AND MAINTAINING CONTACTS WITH POLITICAL LEADERS, GOVERNMENT OFFICIALS, ACADEMICIANS AND JOURNALISTS. FIXED FY 77 IVP BUDGET WAS \$20,000. THIS AMOUNT WOULD BE INADEQUATE FOR OUR PURPOSES WERE IT NOT SUPPLEMENTED BY APPROXIMATELY \$30,000 MADE AVAILABLE BY DEPARTMENT ON AD HOC BASIS. EMBASSY STRONGLY RECOMMENDS THAT FIXED BUDGET BE INCREASED TO REFLECT ACTUAL ANNUAL EXPENDITURES DURING PAST TWO YEARS, I.E., \$50,000 LEVEL. THIS CHANGE WOULD NOT ONLY ASSURE CONTINUING HIGH LEVEL OF ACTIVITY IN EXISTING CATEGORIES BUT PROVIDE FOR EXPANSION INTO OTHER AREAS SUCH AS TRADE UNIONS AND PROVINCIAL LEADERSHIP.

8. DEFENSE ATTACHE

(A) OFFICE OF DEFENSE ATTACHE IS STAFFED BY SINGLE OFFICER FROM EACH SERVICE (ARMY, NAVY, AIR) PLUS SUPPORT PERSONNEL. DURING CY 76, DAO WAS GRANTED NEW POSITION (ASSISTANT AIR ATTACHE) WHO, WHEN HE ARRIVES IN MID-1977, WILL ASSUME SOME RESPONSIBILITIES NOW HELD BY DEFATT (WHO IS ALSO AIR ATTACHE), THUS FREEING LATTER FOR GREATER PARTICIPATION IN MISSION-WIDE PROJECTS. FOR EXAMPLE, DURING PAST YEAR, DEFATT WAS PRIMARY ACTION OFFICER WITHIN EMBASSY FOR CANADIAN PROCUREMENT OF LONG-RANGE PATROL AIRCRAFT, WHICH WERE PURCHASED FROM AMERICAN SUPPLIER UNDER CONDITIONS REQUIRING STRONG SUPPORT FROM EMBASSY. IN COMING YEAR, SIMILAR EFFORTS MUST BE MADE

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WITH RESPECT TO GOC DECISION TO ACQUIRE NEW FIGHTER
AIRCRAFT.

(B) DAO IS EXTENSIVELY ENGAGED IN TRADITIONAL
LIAISON AND INTELLIGENCE EXCHANGE WITH CANADIAN FORCES.
WE ARE SUPPORTING CANADA'S ACTIVIST NEW DEFENSE MINISTER,
IN EXPECTATION THAT HIS INFLUENCE WILL PROMPT GREATER AND
MORE TIMELY CANADIAN CONTRIBUTION TO NORTH AMERICAN AND
NATO DEFENSE.

9. AGRICULTURE (USDA)--STAFF COMPRISES AGRICULTURAL
ATTACHE, ASSISTANT ATTACHE, LOCAL ASSISTANT WHO IS AGRI-
CULTURAL ECONOMIST, AND TWO LOCAL SECRETARIES. CLOSELY
INTEGRATED WITH ECONOMIC SECTION OF EMBASSY, THEY PARTI-
CIPATE ACTIVELY IN REPORTING, ANALYSIS AND REPRESENTATION
ON AGRICULTURAL TRADE POLICY MATTERS (E.G. GRAIN INITI-
ATIVE MENTIONED PARA 60 OF PARM I) AND FULFILL EXTENSIVE
LIST OF REPORTING REQUIREMENTS IMPOSED BY USDA/FAS
WASHINGTON. PRESENT RESOURCES ARE FULLY UTILIZED BUT
APPEAR ADEQUATE TO MEET CURRENT RESPONSIBILITIES.

10. LEGAL ATTACHE (FBI)

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(A) THIS SECTION COMPRISES TWO OFFICERS AND
THREE AMERICAN SECRETARIES. FOURTH AMERICAN SECRETARIAL
POSITION WAS LOST DURING FY 77 AS PART OF WORLD-WIDE
EFFORT TO REDUCE POSITIONS; THIS LOSS COULD BE SUSTAINED
BECAUSE NEW POLICY OF CARTER ADMINISTRATION ELIMINATED

SELECTIVE SERVICE CASES WHICH HAD BEEN RUNNING AT RATE OF 300 PER MONTH. CURRENT WORKLOAD IS STABLE AT APPROXIMATELY 400 CASES PER MONTH (70 CRIMINAL, 30 CIVIL AND SECURITY). LEGATT AND HIS DEPUTY ARE ENGAGED IN INFORMATION EXCHANGE WITH CANADIAN AUTHORITIES (PRIMARILY RCMP) AND HAVE NO OPERATIONAL RESPONSIBILITIES.

(B) ALTHOUGH CURRENT CONDITIONS WOULD NOT SUGGEST ANY CHANGE IN EXISTING RESOURCE LEVELS, CERTAIN PENDING DEVELOPMENTS COULD REQUIRE CHANGES IN NEAR FUTURE, AS FOLLOWS:

(1) AT PRESIDENTIAL DIRECTION, AMALGAMATION OF DEA WITH FBI IS UNDER STUDY. THIS ORGANIZATIONAL CHANGE WOULD NOT AFFECT WORKLOAD IN CANADA OF DEA AND FBI, BUT MIGHT MAKE POSSIBLE SAVING OF ONE SECRETARIAL POSITION IF OFFICES CAN BE PHYSICALLY MERGED.

(2) AREAS OF COOPERATION BETWEEN FBI AND RCMP ARE EXPANDING IN WAYS WHICH MAY OFFER OPPORTUNITIES FOR RESOURCE REDUCTIONS IN CANADA. FOR EXAMPLE, FBI AND RCMP ARE CURRENTLY DISCUSSING CREATION OF ELECTRONIC INTERFACE BETWEEN THEIR RESPECTIVE COMPUTERIZED DATA BANKS. THIS CHANGE WOULD ELIMINATE CURRENT PRACTICE REQUIRING LEGATT PHYSICALLY TO HAND OVER INFORMATION TO RCMP COLLEAGUES. SIMILARLY, THERE IS GROWING NUMBER OF EXCHANGE STUDENTS BETWEEN FBI AND RCMP TRAINING ACADEMIES; LONG-TERM EFFECT COULD BE REDUCTION OF CASE LOAD HANDLED BY EMBASSY LEGATT AS RCMP OFFICERS WORK DIRECTLY WITH STATE-SIDE OPPOSITE NUMBERS.

11. DEA
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(A) DEA OPERATIONS SUPPORT MAJOR U.S. OBJECTIVE OF DRUG CONTROL AND LAW ENFORCEMENT. STAFFING LEVELS ARE ADEQUATE FOR CURRENT WORKLOAD. LONG-TERM PROJECTIONS SUGGEST THAT WORKLOAD WILL REMAIN STABLE, THOUGH REGIONAL EMPHASES WILL SHIFT (FOR EXAMPLE, FRENCH CONNECTION HAS DECREASED WITH RESULTING REDUCTION IN MONTREAL OPERATIONS, BUT INCREASE IN DRUGS FROM SOUTHEAST ASIA HAS CREATED NEW PROBLEMS IN VANCOUVER; MEXICAN HEROIN NOW FLOODING U.S. IS NOT YET COMING THROUGH CANADA BUT MAY SOON DO SO).

(B) OFFICES ARE MAINTAINED IN OTTAWA, MONTREAL, TORONTO AND VANCOUVER. IN CONTRAST TO DEA OPERATIONS ELSEWHERE IN WORLD, THERE IS NO REGIONAL OFFICE IN CANADA. INSTEAD, EACH OFFICE OPERATES AS BRANCH OF ADJACENT DISTRICT OFFICE IN U.S., THOUGH OTTAWA OFFICE PERFORMS INFORMAL LIAISON AND, TO SOME DEGREE, SUPERVISORY FUNCTION.

THIS ARRANGEMENT CREATES MINOR PROBLEMS IN COMMUNICATION, BUT DOES PARALLEL RCMP STRUCTURE, WHICH IS DECENTRALIZED AND GIVES DRUG ENFORCEMENT JURISDICTION TO REGIONAL HEAD-QUARTERS ACROSS CANADA. CREATION OF U.S. REGIONAL OFFICE IS NOT NEEDED, AND WOULD IN FACT REQUIRE INCREASE IN RESOURCES RATHER THAN PROVIDE SAVINGS.

12. INTERNAL REVENUE SERVICE

(A) OTTAWA STAFF OF THREE OFFICERS AND ONE SECRETARY CONSTITUTES CORE GROUP WHICH PERFORMS ON-GOING TASKS AND ALSO SUPPORTS AND SUPERVISES SEASONALLY FLUCTU-

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ATING NUMBER OF TDY PERSONNEL OPERATING ACROSS CANADA. GIVEN THAT ONE-THIRD OF AMERICANS LIVING OUTSIDE U.S. ARE RESIDENT IN CANADA, IRS HAS MAJOR UNDERTAKING IN IMPLEMENTING EXTRA-TERRITORIAL ASPECTS OF U.S. TAX LAWS.

(B) OUTLOOK IS FOR STABLE WORKLOAD OVER COMING THREE YEARS, AT LEAST FOR EMBASSY CORE GROUP. HOWEVER, TAX LAW CHANGES INCORPORATED IN REVENUE ACT OF 1976 (PARTICULARLY PROVISIONS ON EXCLUSION OF EARNED INCOME) WILL CREATE MAJOR COMPLIANCE PROBLEM WITH RESPECT TO AMERICANS LIVING ABROAD. THIS ADDED WORKLOAD WILL BE ASSIGNED TO TDY PERSONNEL, BUT PROBLEM EXISTS IN THAT OUR CONSULAR ESTABLISHMENTS (PARTICULARLY TORONTO AND VANCOUVER) CANNOT PHYSICALLY ACCOMMODATE VISITING IRS STAFF, WHO MAY BE OBLIGED TO RENT LOCAL OFFICE SPACE.

13. IMMIGRATION AND NATURALIZATION SERVICE

(A) INS PRESENCE IN CANADA IS DIVIDED BETWEEN OTTAWA OFFICE (ONE OFFICER, ONE SECRETARY) WHICH IS PART OF EMBASSY, AND SIZEABLE UNITS IN MONTREAL, TORONTO, WINNIPEG, VANCOUVER AND VICTORIA, WHICH PERFORM ONLY PRE-CLEARANCE FUNCTION AND OPERATE AS BRANCHES OF U.S. REGIONAL OFFICES ACROSS ADJACENT BORDER. EMBASSY INS OFFICE HAS NO CONFIDENTIAL

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SUPERVISORY FUNCTION WITH RESPECT TO OTHER INS OFFICES, AND HAS ONLY INFREQUENT CONTACT WITH THEM. THERE ARE NO CLEAR IMPERATIVES FOR RESTRUCTURING THIS ARRANGEMENT.

(B) WORKLOAD OF INS OTTAWA IS VERY STABLE, COMPRISING DEPORTATION PROCEEDINGS, SEARCH FOR WANTED PERSONS, AND QUESTIONS OF NATIONALITY. IN PAST, OFFICE WAS STAFFED BY TWO OFFICERS AND TWO SECRETARIES; PRESENT ARRANGEMENT OF ONE EACH IS SATISFACTORY (OFFICER IS SOMEWHAT OVER-BURDENED, BUT NOT SUFFICIENTLY TO WARRANT ADDITION OF SECOND POSITION). ENDERS

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